

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7146

BILL NUMBER: HB 1539

NOTE PREPARED: Dec 31, 2010

BILL AMENDED:

SUBJECT: Marion County COIT.

FIRST AUTHOR: Rep. Speedy

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows the Marion County City-County Council to elect to provide revenue to the public library from the certified distribution of County Option Income Tax (COIT) revenue.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, Marion County may use part of its COIT distribution to fund homestead credits, the Metropolitan Emergency Communications Agency (MECA), and the IndyGo transportation service. Currently, Marion County provides homestead credits and funds MECA, but does not fund IndyGo with COIT revenue.

The remaining COIT revenue is distributed to several civil taxing units (not schools) under a formula that applies only in Marion County. The current formula allocates a share of COIT revenue to each township, each of the four excluded cities, and a combined Indianapolis/Marion County. The included towns, libraries, and special taxing units do not directly receive a share of the revenue. The COIT revenue is allocated to receiving units via a formula that is largely based on the maximum levies of those units. The maximum levy used in the formula for Indianapolis/Marion County is equal to the sum of the maximum levies of the city and county, plus all of the civil taxing units that do not receive a direct share.

In addition to the ability to fund homestead credits, MECA, and IndyGo, this bill would allow funding operation of the Indianapolis-Marion County Public Library (IMCPL) beginning in CY 2012. The library board may make a recommendation on funding. The City-County Council would adopt an ordinance specifying the amount of funding, if any, that the IMCPL would receive.

A distribution to the IMCPL would reduce the available amount of certified shares allocated to civil taxing units in Marion County. In CY2011, Marion County will receive \$154.6 M in COIT revenue. Of that amount, \$8.7 M will be used for MECA funding and \$13.2 M will fund homestead credits, leaving about \$132.6 M for distribution to taxing units as certified shares.

The following table contains the percentage of certified shares that each taxing unit will receive in CY 2011. These percentages also reflect transfers between units under interlocal agreements related to fire department mergers. A reduction in certified shares would be roughly allocated among the taxing units according to these percentages. The actual fiscal impact would depend on action taken by the City-County Council.

Taxing Unit	CY 2011 Percentage of Total Certified Shares
Indianapolis / Marion County	88.66%
Center Township	1.44%
Decatur Township	0.42%
Franklin Township	0.33%
Lawrence Township	0.81%
Perry Township	0.46%
Pike Township	1.92%
Warren Township	0.48%
Washington Township	0.44%
Wayne Township	2.18%
Lawrence Civil City	1.13%
Beech Grove Civil City	0.92%
Southport Civil City	0.03%
Speedway City Civil Town	0.80%
Total	100.00%
Amounts may not total due to rounding	

State Agencies Affected:

Local Agencies Affected: Civil taxing units in Marion County.

Information Sources: Indianapolis City Controller's Office.

Fiscal Analyst: Bob Sigalow, 317-232-9859.